

## UNIVERSITY OF PITTSBURGH POLICY ER 02 (formerly 07-05-02)

**CATEGORY:** PERSONNEL  
**SECTION:** Staff Performance  
**SUBJECT:** Conflict of Interest for Designated Administrators and Staff  
**EFFECTIVE DATE:** December 14, 1994  
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**PAGE(S):** 4

### I. SCOPE

The following policy applies to all full-time and part-time University executives and staff identified by the Conflict of Interest Committee; investigators (as defined under University Policy RI 01); and other administrators who are classified as "designated employees," as defined below (hereinafter, collectively, "Staff" or "Staff Member").

### II. GENERAL PRINCIPLES

Staff Members stand in a relationship of trust and confidence to the University. They shall act in good faith with due regard for the best interests of the institution, and shall comply with the principles of conduct hereinafter set forth.

A potential or actual conflict of interest exists when a Staff Member's commitments and obligations to the University may be compromised by his/her other interests or commitments, especially economic, and particularly if those interests or commitments are not disclosed. Although not all conflicting interests are impermissible, those involving the potential for self-gain or gain by a third party to whom the Staff Member is related can serve to undermine the judgment or objectivity of Staff such that their primary obligation to the University is compromised. Furthermore, bias or the appearance of bias may undermine public trust in the University.

The University believes that full and timely disclosure by Staff, pursuant to the requirements set forth below, will sensitize them and their supervisors to potential conflicts of interest and promote resolution of actual conflicts. Even if disclosure is not explicitly required below, the Staff Member should discuss with his/her supervisor any affiliation, interest or other matter that presents a real, apparent or potential conflict of interest.

### III. POLICY

#### Definitions

**Affiliation:** of a person to or with an organization includes (a) holding the position of officer, director, trustee, partner (general or limited), employee or regularly retained agent of such organization; (b) actual or beneficial ownership of stock, equity, debt or other financial interest of such organization; or (c) expected receipt in the current or a future year of remuneration for services (other than salary as an employee) from such organization in excess of \$500.

**Designated Employee:** means an employee who is designated by his/her supervisor to comply with this policy because the employee is in a position to make, direct, or materially influence University business decisions.

**Organization:** includes any corporation, partnership, proprietorship, association, trust, government agency or other entity.

**Permitted Interest:** means the ownership of (a) shares of stock listed on the New York Stock Exchange, the American Stock Exchange or any other recognized stock exchange, so long as the amount of such stock of any one issuer is less than five percent of the outstanding voting shares; (b) shares of mutual funds; (c) an interest in a blind trust; or (d) any debt instruments of publicly-held companies.

**Related Person:** of a Staff Member means a spouse, registered domestic partner or dependent child of such Staff Member. The term extends to siblings, parents and non-

dependent children (including step- and in-law variants of those relationships) in circumstances where the Staff Member has actual knowledge that such relative is likely to benefit from a particular University transaction.

**University Transaction or Transaction:** means any transaction of the University (or an organization closely affiliated with the University) with a person or an organization other than (a) a transaction with the University itself or an organization closely affiliated with the University; (b) a transaction for which the University will receive competitive bids from two or more companies; (c) a transaction that involves the rendering of services of a common carrier, contract carrier or public utility, at rates or charges fixed in conformity with law or governmental authority; or (d) a transaction that involves services of a bank depository of funds, transfer agent, registrar or trustee under a trust indenture, or similar services.

#### Disclosure of Covered Transactions

As soon as a Staff Member receives knowledge of a University Transaction or proposed University Transaction

- a. to which such Staff Member or Related Person is a party, regardless of the dollar amount of the Transaction, or
- b. with an organization with which such Staff Member or a Related Person has any Affiliation other than a Permitted Interest and in which the amount involved in the Transaction exceeds or is likely to exceed \$500,

such Staff Member shall disclose the nature of his/her or the Related Person's interest in the Transaction and Affiliation with such organization. Such disclosure shall, if possible, be made prior to the time the Transaction is entered into or approved by the Board of Trustees or appropriate administrator of the University.

#### Disclosure of Affiliations

Each Staff Member shall annually disclose the nature of his or her Affiliation (or the Affiliation of a Related Person) other than a Permitted Interest with each organization with which (a) the University (or an organization closely affiliated with the University) had business dealings during the past year or (b) there is a reasonable possibility the University (or an organization closely affiliated with the University) may in the next year have business dealings. This disclosure is completed using [MyDisclosures](#) upon hiring and annually thereafter. (The fact that an Affiliation or interest is not required to be listed through [MyDisclosures](#) does not mean that it is exempt from conflict of interest evaluation under this Policy.)

#### Disclosure Review Procedure

All disclosures required under this Policy shall be directed to the next higher administrator in the Staff Member's supervisory line who is at least at the level of director or department chairperson. After disclosure, the administrator's review must take place promptly and help the Staff Member determine which interests are not in conflict, which conflicting interests may be permissible, and which conflicting interests must be eliminated or addressed in some way.

The choice of full disclosure in place of rigid prohibitions in this Policy is based on the assumption that once a conflict is recognized, it can often be avoided or resolved.

All administrators who receive disclosures shall:

- a. promptly review the disclosure in [MyDisclosures](#) for real, apparent or potential conflicts of interest;
- b. request and document additional details including precise dollar figures for ownership interests or remuneration, if such details appear necessary for sound determination of the presence or absence of impermissible conflicts of interest;
- c. determine whether their superiors wish to review the detailed information provided by

the Staff Members;

- d. meet with individual Staff Members to discuss collegially how potential or actual conflicts shall be resolved;
- e. recommend and initiate action to resolve the apparent, potential or real conflict;
- f. report to the head of their responsibility center at least annually on how any significant real, apparent or potential conflicts of interest have been resolved.

Any Staff Member who disagrees with the recommendation of his/her reviewing administrator for resolving conflicts of interest may appeal to the next higher administrator in the supervisory line. If the Staff Member is dissatisfied with the determination of the next higher administrator, he/she may request that administrator to refer the matter to the Senior Vice Chancellor for Business and Finance, the Senior Vice Chancellor for Health Sciences or the Provost, as appropriate, whose decision shall be final.

a. Confidentiality

In order to encourage full disclosure of potential conflicts without unduly intruding on the privacy of University personnel or their families, disclosures shall be treated confidentially and disclosed only to the extent necessary for review and resolution of conflicts.

Withdrawal from Decisions

Staff shall not exercise University decision-making authority or exert influence concerning any organization or Transaction in which they or a Related Person have a personal interest.

Misuse of Information

No Staff Member shall, for personal gain or for the gain of others, use any information not available to the public that was obtained as a result of service to the University. No Staff Member shall personally exploit any business opportunity in which the Staff Member knows or reasonably should know the University is or would be interested, unless the University first consents thereto in writing.

Gifts and Favors

No Staff Member shall solicit or accept for personal use, or for the use of others, any gift, favor, loan, gratuity, reward, promise of future employment or any other thing of monetary value that might influence or appear to influence the judgment or conduct of the Staff Member vis-a-vis University business. Staff Members may accept occasional unsolicited courtesy gifts or favors (such as business lunches, tickets to baseball games or Christmas baskets) so long as the gifts or favors have a market value under \$200, are customary in the industry, and will not influence or appear to influence the judgment or conduct of the Staff Member vis-a-vis University business. A Staff Member may be exempted from the restrictions in this paragraph by his/her supervisor as to a specified gift or favor. The exemption shall be in writing with a statement of the basis therefore. Individual administrative units within the University may impose further restrictions on gifts and favors for Staff Members within the unit.

Reporting Suspected Violations

An allegation of violations of this Policy and the basis for the allegation shall be communicated, confidentially and preferably (but not necessarily) in writing, to an administrator in the supervisory line of the alleged violator or, if that would be problematic, to the Internal Audit Department or the Office of General Counsel. Measures shall be taken to ensure that no adverse action is taken, either directly or indirectly, against a complainant who makes allegations in good faith.

Sanctions

Non-compliance with the provisions of this Policy may be sanctioned in the same way as non-compliance with any other University policy, including a letter of reprimand, probation,

suspension, salary reduction, change of classification or termination of employment.